

May 6, 2014

Chairman Aric Nesbitt
S-1085 House Office Building
Lansing, MI 48909

House Energy and Technology Committee
124 North Capitol Avenue
P.O. Box 30014
Lansing, MI 48909-7514



Chairman Nesbitt and Members of the House Energy and Technology Committee,

I am writing in regard to House Bill 5476. The very fact that the Committee is discussing this issue today is confirmation of hours of testimony you heard a month ago: Michigan's monopoly electric rates are too high and they are hurting the state's families, job providers and economy.

While HB 5476 would temporarily and artificially address the electric rates of Michigan's biggest businesses, every other business—and each of the state's millions of residential customers—would remain locked into paying monopoly electric rates that are not only the highest in the Midwest, but that have gone up 7 times faster than the national average over the last five years.

Job providers – large and small – are clamoring for a solution that meets all of their needs. And the solution is much simpler than critics want you to believe. Electric choice empowers families, it empowers job providers and it levels the playing field, stopping Michigan's practice of picking winners and losers in the marketplace.

It is a much better option than the one Lansing seems too often to embrace—and the one being discussed again today—granting special favors and cutting one-off deals that make winners out of the few while forcing families, small business owners and our local public schools to pay what amounted in 2013 alone to a staggering \$3.35 billion in above-market rates.

Michigan families and Michigan job providers deserve better. They deserve to have electric companies compete for their business the same way every other industry competes.

House Bill 5184, discussed at length before this committee in March, would do that, addressing the state's electric rate problem at its roots, leveling the playing field for every electric customer, including residential customers, and delivering electric cost relief to thousands of job providers and homeowners.

(MORE)

As you know, back in 2008, policymakers eliminated competition from the electric marketplace, establishing an arbitrary 10 percent cap on electricity competition and to shield the state's big-two energy providers from competition.

It was a misguided change in policy that sent Michigan families' energy costs through the roof and cost the state tens of thousands of jobs. According to nationally-renowned economists who examined Michigan's competition inequity earlier this year, the current monopoly-style system costs Michigan an estimated 21,000 jobs each year.

It wasn't always this way. Michigan enjoyed competition in the electricity marketplace from 2001 through 2008 and customers were big winners, as utility companies competed with one another, working harder than ever to keep prices low just to make the sale.

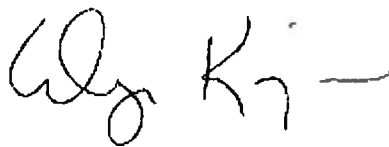
During those years, Michigan had electric rates significantly below the national average—a far cry from the sticker-shock customers feel every month when they open their bills today.

Job providers understand that competition is a key to a healthy business and a healthy economy and compete every day to retain customers by providing the best product at the lowest price. Our utilities should be required to compete for our business as well.

House Bill 5476 is just the latest in a line of “band-aid” fixes for a problem that plagues every job provider and family in the state—energy prices that are far too high and out of line with our neighbors in the Midwest.

We encourage the Committee to examine changes to state law that empower every Michigan business and every Michigan electric consumer, and lift the failed cap on customer choice.

Sincerely,

A handwritten signature in black ink, appearing to read "Wayne Kuipers", followed by a horizontal line.

Wayne Kuipers
Executive Director
Energy Choice Now